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SUBJECT: JERUSALEM MAYOR BRIEFS ON AL-BUSTAN DEVELOPMENT  
PLAN

Classified By: Consul General Daniel H. Rubinstein  
for reasons 1.4 (b,d).

This is a joint Consulate General Jerusalem - Embassy Tel  
Aviv message.

11. (C) Summary. Jerusalem Mayor Nir Barkat informed the  
Consul General and Ambassador Cunningham on October 7 that  
the Municipality intends to roll out a development plan for  
the al-Bustan neighborhood of Silwan in East Jerusalem  
sometime in early November. The plan calls for the  
demolition of nineteen homes in the western half of the  
neighborhood in order to build a park, as well as the  
development of upscale commercial and residential properties  
in the eastern half. Barkat said the intention is that the  
current residents in the neighborhood, including those in the  
buildings to be demolished, could remain in the eastern half  
and have their status legalized. Barkat claimed that  
al-Bustan's Arab residents generally approve of the plan.  
Separately, a lawyer for the al-Bustan residents told  
Consulate staff that residents do not accept the plan in its  
current state, but held out hope that a compromise could  
eventually be reached. Given the political sensitivity of  
any changes to the status quo in East Jerusalem's Palestinian  
neighborhoods, anything less than full buy-in by al Bustan's  
Palestinian residents and international stakeholders will  
likely provoke some international controversy, particularly  
with tensions already running high in the city. End Summary.

#### Mayor Briefs on al Bustan Development Plan

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12. (C) In an October 7 meeting, Jerusalem Mayor Nir Barkat  
briefed Consul General Rubinstein and Ambassador Cunningham  
about the Jerusalem Municipality's development plan for the  
al-Bustan neighborhood of Silwan in East Jerusalem. (Note:  
the proposed development area is referred to in the  
Municipality's Hebrew-language planning documents and maps as  
"Gan Hamelekh," or Garden of the King. End Note.) The Mayor  
presented aerial photographs documenting the neighborhood's  
evolution from open space into an Arab residential  
neighborhood over the past twenty years. His plan envisions  
transforming the western part of al-Bustan into parkland,  
which will require the demolition of nineteen homes. In this  
area, he said, water from the Pools of Siloam would be used  
to re-create waterworks which reportedly existed at the time  
of King David. In the eastern part of the neighborhood, the  
plan calls for legalization of most existing properties, and  
their use as a base for further development. Note: In the  
absence of an approved neighborhood development plan, most  
homes in al-Bustan were constructed without permits, and  
eighty percent of them are subject to demolition orders,  
according to Barkat. End Note.

13. (C) Barkat said that he envisioned an area of high-end

residential and commercial buildings, with first-floor properties catering to tourists, and higher-floor properties functioning as residences. The plan calls for a change in zoning restrictions in effect in East Jerusalem to permit the construction of four-story buildings (al-Bustan is currently zoned for two stories), allowing an increase in population density in the eastern half. "We can fit in all the current residents of the area," Barkat said, "despite the fact that they built illegally." He noted that the plan also calls for construction of a community center, kindergarten, and tourist facilities at the southern tip of the neighborhood.

#### Barkat: Months of Negotiations with Residents

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14. (C) Barkat said that the Municipality had been negotiating the plan with al-Bustan's residents "for the past two to three months" through the offices of Ziad Kavar, a Jerusalem lawyer involved in advocating against home demolitions in the area. "In spite of the fact that we don't need (the residents) permission," Barkat argued, "it is important for us to work with them." He produced a memorandum of partnership regarding confidence-building measures signed by a Municipality official and an al-Bustan resident (Fakhri Abu Ziad) who the mayor described as a community leader as evidence of local buy-in. Barkat noted that al-Bustan residents had not leaked the fact of their discussions with the media - which Barkat took as signaling their approval of the plan. He added that new roads and street lighting had been installed in the area as a gesture of goodwill towards residents.

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15. (C) Barkat said that he felt it was important to be transparent with all parties involved, particularly the U.S. He dismissed the notion that the plan could introduce demographic changes to the neighborhood, saying, "how is there a demographic change? Everyone will try to derail this project, and we know that -- which is why we want to share this plan with you now. The plan is not new, but now is the right time." Barkat provided few details about the financing of the plan, saying that funding for the project would "sort itself out." He added that he believed there would be international interest in the project, and that he welcomed third-party investment. He provided no firm date for the plan's rollout, noting that he planned to travel to Washington November 5-6. "If pushed," he said, "we'll do (the rollout) before the trip. If not, then after."

#### Questions on Finance, Legal Claims

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16. (C) It remains unclear how land ownership claims in the neighborhood would be resolved under the terms of the current plan. "In this area," Barkat said, "no one controls the land." He noted that current al-Bustan residents would have an option to buy newly-developed properties in the area, but did not discuss any planned provisions for financing or residents' relocation. With regard to prospects for approval, he said that the plan - which he claimed the PM's Office is aware of -- will pass through the standard approval process, and would be presented sequentially to local and then district-level planning committees. "We will follow the formal legal process," Barkat said, adding, "the park is not negotiable, but the individual residences are negotiable."

#### Al Bustan Residents May Remain Opposed

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17. (C) In a separate, previously scheduled October 7 meeting with Poloff, al-Bustan lawyer Ziad Kavar raised the municipal plan unprompted, and cast doubt on whether the Municipality in fact has local residents' support. Kavar said he had met with the mayor and city planner that same morning to discuss the al-Bustan plan. Kavar told Poloff

that the plan would require the demolition of approximately forty homes (nearly double the mayor's estimate). He claimed to have told the mayor that local residents refuse to accept the plan in its current state, and that the mayor had responded that the residents of al-Bustan were not in a position to negotiate with the Municipality since most of them live in illegally-built homes. "I believe there is a possibility of finding a middle ground between the residents of al-Bustan and the Municipality," Kavar said. "But such a solution is a long way off."

18. (C) Comment. Given the political sensitivity of any changes to the status quo in East Jerusalem's Arab neighborhoods (particularly one immediately adjacent to the Old City), anything short of full buy-in by al Bustan's Arab residents and international stakeholders will likely provoke some international controversy. The timing of the mayor's initiative is also poor, given recent tensions in the Old City, the Palestinian leadership's weakened state in the aftermath of the Goldstone report's deferral, and the resulting internal and region political firestorm.

RUBINSTEIN